

SHINVEST HOLDING LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 198905519R)

RESPONSE TO SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERY OF 15 JULY 2021 RELATING TO THE HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2021 MADE ON 13 APRIL 2021

The Board of Directors (the “**Board**”) of Shinvest Holding Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the Company’s responses to the queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 15 July 2021 in relation to the Company’s half year financial statements for the period ended 28 February 2021.

Question 1: (a) Please provide information on the Group’s inventory turnover days.

Company’s Response

The Group’s average inventory turnover days is about 600 days.

Question 2: Please disclose a breakdown of trade and other payables/other payables amounting to S\$3,325,000 as at 28 February 2021. For other payables, please disclose the identity of the counterparties, whether the counterparties are related parties; and the aging and nature of these other payables.

Company’s Response

Please refer to the breakdown of trade and other payables as follows:

Current Liabilities

<u>Trade payables</u>	S\$'000	Note
- third parties	362	
- related parties	-	
Goods and services tax payable	77	
	439	
<u>Other payables</u>		
- third parties	119	(i)
- related parties	-	
	119	
Accrued operating expenses	2,629	(ii)
Deferred grant income (JSS Grant)	138	
	3,325	

Note:

(i) Nature and aging of other payables:

The other payables are non-trade in nature, unsecured, interest-free, and repayable on demand.

Breakdown of other payables:	S\$'000
- Advances from customers	30
- Rental deposits	4
- Other creditors	85
	<hr/>
	119

The aging of the other payables to third parties is as follows:

	Current (S\$'000)	Past due 1 to 6 months (S\$'000)	Past due > 6 months (S\$'000)	1H FY2021 (S\$'000)
Other payables	49	42	28	119

(ii) The breakdown of the accrued operating expenses as follows:

Breakdown of accrued operating expenses:	S\$'000
- Accrued audit fee	52
- Accrued tax fee	2
- Accrued CPF/SDL/CPF/FWL	62
- Accrued directors' Fee	45
- Accrued commission payable	32
- Accrued employee benefit expenses	2,371
- Accrued other expenses	65
	<hr/>
	2,629

Question 3: Given the Group's significant current liabilities of S\$4,473,000, non-current liabilities of S\$18,325,000 and cash and bank balances of only S\$958,000 and noting that the Group incurred losses of S\$29,789,000 for the 6 months' period ended 28 February 2021, please disclose the Board's assessment: -

- (i) whether the Group's current assets are adequate to meet its short-term current liabilities of S\$4,473,000, including its bases of assessment; and
- (ii) how the Group intends to fulfil its significant payment obligations in the next 12 months. Where the Group has worked out debt repayment plans to fulfil its debt obligations, please disclose if the Group is on track to fulfilling these obligations.

Company's Response

- (i) The Board had assessed the going concern review and as at 16 July 2021, the Board is of opinion that the Group's current assets are adequate to meet its short-term current liabilities of S\$4,473,000 and is able to fulfil its significant payment obligations in the next 12 months as follows:

- A. As of 28 February 2021, for Group's Cash and Cash Equivalent:
The Group had S\$958,000 cash and bank balances.
In addition, the Group's available banking financing for short-term money market loans and revolving loans was at S\$6,600,000. The Group has also secured temporary financing lines from banks as a contingency plan to support the Group's working capital needs as and when required.

B. As of 16 July 2021:

As per the announcement made on 1 July 2021 and 9 July 2021 in relation to the subsequent partial disposal of shares (Disposal) in the Espressif Systems (Shanghai) Co. Ltd. (Espressif Systems), the Company received the cash proceeds from the Disposal before related taxes of RMB105,000,000 (approximately S\$22,000,000) in the Company's bank account in China on 13 July 2021.

- (ii) The Board is in the opinion that the Group will be able to meet its payment obligations in the next 12 months.

The Group recorded losses of S\$29,789,000 in the half year financial statements ended 28 February 2021 which was mainly attributed to the fair value adjustment of Espressif Systems quoted share price as at 28 February 2021 (Fair value loss on financial assets at FVTPL).

By Order of the Board

Teo Teck Leong
Managing Director

16 July 2021